GOVERNMENT OF INDIA
SHIPPING
LOK SABHA

UNSTARRED QUESTION NO:2766
ANSWERED ON:09.08.2001
SHIPPING FLEET AND PORT INFRASTRUCTURE
NARESH KUMAR PUGLIA;SHYAMA SINGH

Will the Minister of SHIPPING be pleased to state:

(a) whether in the absence of an adequate shipping fleet and port infrastructure, the Government are losing several crores per year;

(a) if so, the facts and details thereof;

(c) whether the Indian Shipping Companies failed to meet the trade demand in comparison to other foreign shipping lines; and

(d) if so, the factors responsible for such a fall and the steps taken by the Government to rejuvenate the shipping lines in the country?

Answer

MINISTER OF STATE IN THE MINISTRY OF SHIPPING (SHRI HUKUMDEO NARAYAN YADAV)

(a) to (d) :- No, Sir. Though the Indian Shipping fleet has not grown in tandem with the growth of India`s overseas seaborne trade, in real terms, the quantum of cargo carried by Indian lines has increased from 38.86 million tonnes in 1990-91 to 70.85 million tonnes in 1999-2000 and the traffic handled by Major Ports has risen from 220 million tones to 281 million tones during the 9th Plan period (upto 31.3.2001), resulting in annual growth rate of 5.6%.

The Government has taken various measures to rejuvenate the shipping lines in the country to meet the ever growing demand of the Indian seaborne trade. In order to further enhance the competitiveness of the Indian Shipping Industry, the Government has taken several measures such as :-

(i) All categories of ships viz.; crude tanker, Product Tanker, Bulk Carriers etc. have been included in the free list for import after the amendments in the Exim Policy for 2001-2002, to facilitate acquisition at competitive price;

(ii) Ships (including second hand ships) can now be imported freely without license as per guidelines issued by the Ministry of Shipping.

(iii) Facility for Acquisition of ships through Bare Boat Charter-cum-Demise method;

(iv) Shipping companies have been allowed to retain sale proceeds of their ships abroad and utilise them for fresh acquisition;

(v) The Shipping companies are now permitted to get their ships repaired in any shipyard without seeking prior approval from the Government;

(vi) Quarterly Block Allocation scheme for repair of ships has been dispensed with;

(vii) Reserve Bank of India releases foreign exchange for ship repair/dry docking and spares for imported capital goods, without any value limit;

(viii) Indian Shipping Companies can Time Charter out ships without any restrictions;

(ix) 100 percent investment by NRIs in shipping with full repatriation benefits;

(x) No permission is required for raising foreign exchange loans from abroad by mortgaging the vessel with the lender;

(xi) Restoration of Section 33 AC(of Income Tax Act) benefits in its original form, thereby facilitating ploughing back of profits by Shipping Companies for new acquisition.

(xii) Enhancement of Depreciation rate from 20% to 25% for Ships.